

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:)
) Case No. 22-30102
KLMKH, INC.,)
) Chapter 11, Subchapter V
Debtor.)

**RESPONSE IN SUPPORT OF COURT'S ORDER TO APPEAR
AND SHOW CAUSE FOR DISMISSAL OF CASE FOR FAILURE
TO PROVIDE PROOF OF ADEQUATE INSURANCE**

Now comes the United States Bankruptcy Administrator for the Western District of North Carolina (the "Bankruptcy Administrator") and responds in support (the "Response") of the Court's Order to Appear and Show Cause for an order dismissing the chapter 11 case filed by the above-captioned debtor and debtor-in-possession (the "Debtor") pursuant to section 1112(b)(4)(C) of title 11 of the United States Code (the "Bankruptcy Code") and Rule 1017 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") and says:

FACTUAL BACKGROUND

1. The above-captioned debtor and debtor-in-possession (the "Debtor") filed a voluntary petition for relief under subchapter V of chapter 11 of the Bankruptcy Code [ECF No. 1] on March 10, 2022 (the "Petition Date").

2. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. On March 11, 2022, a Chapter 11 Subchapter V Small Business Operating Order (the "Operating Order") was entered in this case [ECF No. 2]. That

order requires the Debtor to provide proof of insurance coverage on all property of the estate to the Bankruptcy Administrator and to the subchapter V trustee, Melanie Raubach, within ten (10) days of the Petition Date.

4. Also on March 11, 2022, the Court entered an Order to Appear and Show Cause for the failure to timely file or upload a matrix of creditors (the “Show Cause Order”).

5. Upon information and belief, the Debtor is in the oil and gas industry and owns and operates mines. Maintaining all appropriate insurance is necessary for the protection of the public interest and the bankruptcy estate.

6. As of the filing of this Response, the Bankruptcy Administrator’s Office has not received proof of insurance in violation of the Operating Order and 11 U.S.C. § 1112(b)(4)(C).

7. The case must be dismissed if insurance coverage is not in place or cannot be bound in advance of the hearing.

8. To the extent required by Rule 1017(f), the undersigned requests that this Response be treated as a motion to dismiss.

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Wherefore, the undersigned supports entry of an order dismissing this case and for such other and further relief as the Court deems just and proper.

Dated: March 22, 2022.

/s/ Shelley K. Abel
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